Reserve

B/
V. 2. 43

G. R. S. IX-5]

Previous references.

191 .

( )

File No. 99-18

Serial Nos. 2, 3, 4

Later references.

R. 99-18
Serial 5

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 2, 3, 4

Part B for December 18.

SUBJECT.

Control of Cotton Cloths

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(4) To, The Director of Civil Supplies.
R. G. 11470 of 13-12-18

To copy of telegram referred to in Sl 3 which refers to Sl 2.

W D 88—GPB—50,000—24-7-18

Ramasamy
26—XI—18.

G. R. S. III—1] 1918-19

GENERAL AND REVENUE SECRETARIAT.

(P. P)

NOTES.

File No. 99

FILE HEADING.

Control of cotton cloth.

From The F. A. Resident in Nigme

No. 7106 Dated 11. 10. 18 Received 12. 10. 18 / 13

Diary No. 6432 | Enclos. 2 Spare Copies. - | Serial No.

BRIEF ABSTRACT OF LETTER.

In contn of his no 6339 of 11.9.18 forwards for necessary action copy of letter of 1.10.18 from Govt of India regarding the control of cotton cloth.

NOTES AND ORDERS.

1) The file containing the previous reference referred to was forwarded to the Dr of Civil Supplies for favour of remarks. It has not been received back in spite of reminders issued.

Sheet.

WD 1232—GPB—20,000—18-11-15

(2)

G. R. S. III-2]

General and Revenue Secretariat. | P.O. File No. 99 of 191 829

Serial No.

1) The following 4 points require attention:
(1) Appointment of a Controlling authority for the State.
(2) An efficient scheme for the distribution of the cloth among the poorest classes
(3) Forwarding a Provincial indent to the Controller of Cotton cloth at Bombay
(4) Question of financing purchases of Standard cloth

3) A draft to the Dr of Civil Supplies is put up.
hg
13/10/18
Extra Member 13/10/18.

4) Draft approved
Bell
14.10.18

To the Dr of Civil Supplies 15/10/18
No. G 7498 of 21.10.18.
Forwards copy of the letter from the Govt to the Govt of India for very early report.

WO A 1780 GPP 60,000 00.8.18 S

G. R. S. III-2]

General and Revenue Secretariat. | P. P File No. 99 of 191 8.-19

Serial No.

5) Draft reminder put up
hrg
6/11/18 6) Issue U/S 6/11/18
Issued 6.11.18.

7) No reply has been received
from Main Opr. - Submd
hrg
18/11/18 8) Issue a D.O. reminder
U/S 20/11/18.

9) Draft put up
hrg
reply 10) Issue at once U/S 21/11/18 Issued

Received 27/11/18

2 From the Drug Chief Supplies
No 4686 of 12th Nov 1918
furnishes the report called for.

11) Submd. the Secy's & the Maj the Com.
-Sulted.
hrg
28/11/18 12) To file Issue of Remarks
Secy, Ex A U/S 28/11/18

13) In view of the statement
contained in the 6th para of
the Report the Secy's
letter that the contract

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-3-18—S.

(4)

General and Revenue Secretariat. | P.O. File No. 99 of 1918/19.

Serial No.

hospitals has enfeebled alone the selection as immediate action is required. It is doubtful if the scheme is unsuperior standard cloth will be proceeded with now. In my opinion the 6 lakhs of rupees can be better utilized by shrinkable production by local means & supplying yarn. We have already made Rs 50000 available to one cooperative society. Similar assistance is proposed be given to other societies this off. Before deciding about funds it may be ascertained definitely that the final scheme would be

A
3/12/18

(Ch Leeds)
16) Submitted
4/12/18

(Chaffey) 2/12/18
For perusal -
15) No immediate action is required.
2nd November) 5/12/18
16) Papers may be returned
6/12

643—
8514
9084

(5)

G. R. S. III-2]

General and Revenue Secretariat. | P. P File No. 99 of 1918.19

Serial No.	
3	From the T. A. Resident. No 8331 of 5.12.18 Forwards for info in a copy of telegram no 12031 of 30.10.18 from the Govt of India regarding control of cotton cloth.
17	Subd for perusal Hcz 9/12/18 Thompson WJ 9/12/18
18	Copy may be sent to D.C.S. CSN 12/12 11/12/18
19	Draft subd pro 12/12/18 WJ 12/12/18
4	To The Director of Civil Supplies in Mysore no 2. 11470 of 13.12.18 Fds copy of telegram referred to in Serial 3, with reference to Serial 2

SECRETARIAT
POLITICAL BRANCH
17 DEC. 1918

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-3-18—S.

P.P. 9/9/18

To No. 7498/Cust. Hus
dated 21-10-18
The Director of Civil
Supplies in Mysore.

Sir,

In forwarding
herewith a copy of letter
No. 10618 of 1st Oct 1918
with its Enclosure
(from the Secy to the Govt
of India to the Hon'ble the
Resident in Mysore
regarding the control
of cotton cloth, I am
directed to request you
to submit very early
~~for the orders of Govt~~
a detailed report on
the following points:-

(1) a scheme for the
efficient distribution
of the standard cloth

R. O. 178. (a)—R. P. B.—7-1918.—1,000.

Enclosures 2

Ch. Sctt.

POLITICAL BRANCH. 12 OCT 1918. No: 478

12-10-18

MYSORE RESIDENT'S OFFICE,

Bangalore, 11 October 1918

643

DIARY NO.

No. 4706.

X Return requested.

A copy of the marginally* noted letter, with enclosure, is forwarded to the Chief Secretary to the Government of His Highness the Maharaja of Mysore, for favour of necessary action, in continuation of endorsement from this office, No: 6339, dt the 11th September 1918.

*No. 10618 dated 1-10-1918 from the Govt. of India Department of Commerce and Industry, regarding the control of cotton cloth.

H. B. Fraser

First Assistant Resident

(8)

Letter No. 10618, dated the 1st October 1918, from the Secretary to the Government of India, Department of Commerce & Industry, to the Hon'ble the Resident in Mysore.

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In continuation of this Department's endorsement No.8806, dated the 28th August 1918, I have the honour to forward herewith for your information a copy of the Proceedings of the Conference regarding the Control of Cotton Cloth held in Bombay on September 18th and 19th - - - - - and to make the following remarks, I am also to invite attention to the Notification in the Gazette of India of September 28th appointing Mr. F. Noyce, I.C.S., as Controller of Cotton Cloth for the whole of India.

2. Many of the questions dealt with by the Conference such as the price of cotton to be adopted as the basis of the price of - - standard cloth, the stamping of standard cloth, the position of mills engaged on army work and the sufficiency of stocks of reeds were of a technical character and were discussed with a view to affording assistance to the Controller of Cloth and his Advisory Committee in working out the details of the scheme. Others, such as the control of raw and manufactured cotton, interference with existing stocks, forward contracts, excise duty on standard cloth, and the importation of looms have been or are under the consideration of the Government of India and a further communication in regard to them will be made to you if necessary in due course. I am now to address you more specially with reference to the question of indents for the standard cloth and the scheme for its distribution.

3. I am to point out that the Controller of Cotton Cloth wil be concerned solely with the manufacture of standard cloth and that the distribution of the cloth will rest entirely with the Local Governments concerned. It will be observed that the representatives of the mill industry present at the Conference were of opinion that licensed dealers should not form part of the scheme for the distribu-

tion

distribution of standard cloth. The Government of India consider that this is a question for the Local Government and do not desire to prescribe any particular agency for distribution. The experience gained in connection with the distribution of salt through controlled agency should prove of value in deciding on the form of agency. They would, however, invite attention to the opinion which is strongly held by the representatives of the mill industry that every effort should be made to secure that the cloth reaches the poorest classes for whom it is intended and no others and also to the recommendation of the Conference that no person should be permitted to buy more than a certain amount of standard cloth at a time, the amount to be fixed by the Local Government. They would also invite attention to the statement of the Hon'ble Sir George Barnes when moving that the Bill be passed to the effect that the Controller would be instructed not to issue standard cloth to any Province until he was assured by the Local Government that an efficient scheme of distribution had been evolved. In order that the dislocation of the mill industry may be no greater than is absolutely necessary, the Government of India consider it most desirable that the demands of the Local Government should be restricted to the quantity required to meet the pressing needs of the poorest classes.

4. In order that the manufacture of standard cloth may commence with as little delay as possible, the Government of India consider it essential that a controlling authority should be appointed immediately in each Province in which standard cloth is required, and would suggest that he should be permitted to correspond directly with the Controller of Cotton Cloth on all matters relating to it. In addition to being in charge of the distribution of standard cloth it would be part of the duty of the Provincial controlling authority to scrutinise and consolidate the provincial indent and to forward it to the Controller of Cotton Cloth at Bombay with instructions as to the destination of the cloth. The Controller would then take the necessary action in regard to manufacture. It will be observed that

the

the Conference was of opinion that the Controller should be informed of provincial requirements monthly but that the output of the mills should be fixed for three months at a time. The Government of India understand that representatives of the Provinces who were present at the recent Conference have already been supplied with samples of the cloth which was suggested at the Conference as suitable for standardization and these have doubtless been submitted to the Administration. The Controller should be informed at an early date as to how far this cloth meets the requirements of the Province and the quantity which the Province is likely to absorb. If it does meet local requirements, he should be furnished with samples of the cloth which the Administration would suggest for standardization with an estimate of the amount required. If the demand for cheaper cloth in the Province is not of very great urgency, it would be convenient if the Administration were to obtain a few bales of standard cloth and to place them on the market with a view to obtaining an idea of its suitability to the needs of the Province.

5. A further communication will be made to you in regard to the question of financing purchases of standard cloth. It will be observed that the Conference was of opinion that the cloth should be paid for immediately on delivery by the mills, and I am to request that they may be informed of the views of the Administration as to the arrangements which should be made to secure this.

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"C O P Y"

REGISTRAR.

CONFERENCE ON CONTROL OF COTTON CLOTH HELD AT THE SECRETARIAT, BOMBAY.

PRESENT.

Mr. F. NOYCE, I.C.S., President.	
Mr. G. WILES, I.C.S., Chairman, Cotton Contracts Committee.	Bombay.
Sir VITHALDAS THACKERSEY } Bombay Millowners Association.	
Mr. W. H. BRADY }	
Mr. R. H. BROOKE, Bombay Chamber of Commerce.	
Mr. AMBALAL SARABHAI, President, Ahmedabad Millowners Association.	
Mr. J. F. D. ENGEL, Chief Inspector of Factories.	
Mr. PRAMJI VIRJI, Bombay Native Piece Goods Merchants' Association.	
Mr. F. STONES.	
Mr. J. GRAY, I.C.S.	Madras.
The Hon'ble Mr. C. H. A. TOWNSEND, I.C.S., Director of Civil Supplies.	Punjab.
Mr. J. T. DONOVAN, I.C.S., Registrar of Co-operative Societies.	Bengal.
Mr. C. W. RHODES of Messrs. Hoare Miller and Company.	
Mr. P. W. MURPHY, I.C.S., Director of Land Records	Bihar an
Mr. A. K. BOSE, Assistant Controller of Munitions.	
Rai Bahadur RADHA KISHAN JALAN.	
Rai Bahadur KANAK LAL.	Assam.
Mr. C. O'MALLEY, Director of Industries.	United Provinces.
The Hon'ble Mr. T. SMITH.	
Mr. C. LEFTWICH, I.C.S., Director of Civil Supplies.	Central Provinces.
Mr. F. W. JOHNSTON, C.S.I., C.I.E., I.C.S.	Baluchistan
Mr. J. H. COX, C.I.E. I.C.S., Director of Civil Supplies.	Central India
Mr. G. C. DESAI, Director of Agriculture.	Baroda.
Mr. R. R. PAWAR.	
Rai Bahadur Sardar M. V. KIBE, Minister of Commerce.	Indore.
Mr. PURANIK.	
Mr. PEROSHAW.	

Minutes of First Day's Proceedings, September 18th, 1918.

I.—*Definition of the term poorer classes.*—The first question taken up by the Conference was whether there should be any definition of the term "poorer classes," for whom alone standard cloth is intended. It was decided that no further definition was required than that the poorer classes would be the classes that would buy the cloth. Mr. Ambalal Sarabhai dissented from the view and desired that some definite criterion should be adopted. It was further decided that steps should be taken to ensure that no person should buy more than a certain quantity of standard cloth at a time, the amount to be fixed by the Local Government.

In this connexion, Sir Vithaldas Thackersey [illegible] estion of licensing dealers and manufacturers. He considered that no millowner or dealer in cotton cloth should be allowed to hold more than a fixed amount of stock. Millowners, for instance, might be allowed to hold up two bales of cloth per loom. All dealers

in cloth must be licensed and must submit a monthly return of stocks held. Mr. Murphy pointed out that this could only be a temporary expedient as regards the increase of supplies.

Mr. Smith considered that hessians for standard cloth should be bought through the Jute Controller.

II.—*Distribution of standard cloth.*—The next question taken up was that of the distribution of standard cloth. The Chairman pointed out that there appeared to be three alternatives. (*i*) Licensed dealers (*ii*) Government, municipal and local board shops and (*iii*) Co-operative Societies. Mr. Donovan said that the Government of Bengal proposed to sell through certain brokers in Calcutta whose area of business would cover the whole of the standard cloth that would be required. Sir Vithaldas Thackersey took strong exception to such an arrangement and proposed that " in the intial stage, distribution should be confined to purely Government agencies, such as the post office, local bodies and co-operative societies." If any standard cloth were distributed through any agency such as that of Marwaris, it should only be with the special sanction of the Controller and the Advisory Committee. Mr. Rhodes pointed out that the District Magistrate would fix the price of cloth for each district. Mr. Smith suggested that the words " the aim being that only the retailers' profit *plus* freight should be added to the mill price" should be added to Sir Vithaldas Thackersey's resolution. Mr. Donovan held that it was the cheapest method to use the ordinary trade channels. Mr. Ambalal Sarabhai suggested the addition to Sir Vithaldas Thackersey's resolution of the words " Local Governments to add to the mill price such charges for freight and other expenses as they think necessary." Mr. Donovan proposed the following resolution " With reference to resolution 9 passed by the Cotton Prices Committee, the Local Administration should take steps to eliminate all unnecessary commission and profits in the distribution of the cloth."

No formal resolution was passed but the general sense of the Conference was that there should be licensed dealers if Local Governments thought this the most suitable agency. The representatives of the mill industry present were, however, of opinion that licensed dealers should not form part of the scheme for distribution of standard cloth.

The question of the position of Native States in the scheme was brought up and the view taken was that if Native States participated in the scheme, the mills in such states should be controlled in exactly the same way as those in British territory.

III.—*Indents.*—It was resolved that there should be a controlling authority in each Province who would consolidate indents for standard cloth and send them on to the Controller of Cotton Cloth. The Provinces should inform the Controller of their requirements monthly but, in order that mill organisation may be dislocated as little as possible, the output required from the mills should be fixed for three months.

IV.—*Allocation of orders.*—The question of the basis on which orders should be allocated to the mills was taken up. The view taken by the representatives of the mill industry except Mr. Ambalal Sarabhai was that the basis should be the number of running looms in each mill. Mr. Ambalal Sarabhai considered that the basis should be the total number of looms. The question was left over for discussion at a sub-committee of the members of the Conference with technical experience.

V.—*Priority certificates for standard cloth.*—It was held that all standard cloth must be given priority certificates and that it would relieve the situation in regard to cloth, if all cloth were given priority certificates.

VI.—*Financing.*—The Chairman explained the scheme he had in view for financing the purchase of standard cloth from the mills and it was resolved that Local Governments must keep the Controller in funds in order to enable him to pay for the cloth on receipt of the signed railway receipt from the station master of the despatching station. This was regarded by the conference as a matter of great importance. The question of payment of railway freight was raised and it was considered that this should be paid at destination.

VII.—*Stamping of standard cloth.*—The suggestion that the registered mark for standard cloth might take the form if a coloured thread running from end to end was accepted. It was decided that there was no objection to mill-owners using their own mill marks and tickets for standard cloth and that, if different qualities of cloth were standardised, the standard *e.g.*, Standard A, B or C should be clearly stamped on the cloth. Mr. Townsend pointed out that provision should be made that no other cloth should bear the standard cloth marks.

VIII.—*Control of Yarn.*—The question of the necessity for the control of yarn in the interests of the hand loom weaving industry was taken up. It was considered by some members of the Conference that, unless standard cloth were produced in sufficient quantities to make a real impression on the market, the hand loom weavers would be placed in a stronger position than at present. They would be able to pay higher prices for yarn and would therefore keep the price of cotton up. Sir Vithaldas Thackersey pointed out various difficulties in the way of controlling yarn and considered it advisable to await further developments before embarking on any scheme of control. The representatives of the Punjab, Bengal, Bihar and Orissa and Assam were in favour of the control of yarn, in the case of Bengal for general reasons and in that of the other Provinces in the interests of hand loom weavers. The representatives of the remaining Provinces did not ask for control of yarn in present circumstances.

IX.—*Control of raw or manufactured cotton.*—(*a*) The first question discussed was that of *the control of raw cotton.* The Conference was of opinion that it was impossible to control the price of raw cotton directly. Mr. Brooke considered it impossible to control the price of raw cotton directly in present circumstances but thought that, if America were to fix maximum prices of cotton, some scheme of control might be worked out for Indian cotton in order to ensure Indian parity. Sir Vithaldas Thackersey was of opinion that the licensing of exports of raw cotton would have a most salutary effect. He held that power should be taken by Government at once to license exports but that there should be no actual restriction of exports until it appeared that the crop was getting short. Mr. Rhodes mentioned that mills in Calcutta could not get cotton and could not afford to manufacture yarn at the present prices of cotton. The prospects of the cotton crop were discussed and the conclusion was that these depended entirely on the September rains but that there was no doubt that the cotton crop would be distinctly on the short side. Mr. Ambalal Sarabhai considered that the maximum export allowed should be the balance between the estimated consumption in India and the total crop. Mr. Rhodes said that the prevention of export would drive the speculators out of the market. It was resolved that "This Conference recommends that the Government of India should take power at once to restrict exports of raw cotton by the introduction of a system of licensing, the degree of stringency with which such powers would be exercised to be decided as circumstances subsequently dictate. Orders should be passed on this recommendation at a very early date so that exporters should know where they stand." It was stated that at present there were no large commitments for next year. Mr. Brooke pointed out the danger that the Japanese might dash in and buy every bale of cotton they could lay their hands on and then demand a license to export it. Mr. Townsend suggested that Government should make it known that it did not follow from the fact of purchase for export that the purchaser would have a right to have a license for the export of the full quantity purchased.

(*b*) In regard to the *control of the export of yarn,* Sir Vithaldas Thackersey pointed out that this would affect the China market, and considered that, if the export of cotton were restricted, the price of yarn would automatically follow that of cotton. Mr. Rhodes thought that the export of yarn should be licensed but that it should be allowed to be shipped freely until circumstances justified restriction. Mr. Smith said that any control of the export of yarn would mean the loss of the China market. Mr. Stones pointed out that the counts exported to China were not those used in the Indian mills. Mr. Leftwich held that the need for controlling the export of yarn had not been demonstrated. The Conference decided that the necessity for controlling the export of yarn had not been established.

(*c*) The Conference decided that there was no necessity to control the *export of piece goods.*

X.—*Interference with existing stocks.*—The next question taken up was whether any interference with existing stocks was called for. Mr. Rhodes said that in Bengal large stocks were held up by profiteers. Mr. Smith said that the position was the same in Cawnpore. Mr. Rhodes said that there was a danger that if Government called for statistics of unsold stocks it would create a panic. Sir Vithaldas Thackersey considered that the best method of bringing down the price of cloth was to prevent unjustifiable hoarding by dealers and millowners. If that were done, speculation would disappear. He would allow, say, up to six months after which no one should be able to hold more than a limited quantity of cloth. Everybody who dealt in piece goods should be licensed. Mr. Rhodes pointed out that Lancashire prices at present were considerably higher than bazaar prices and that there was therefore great difficulty in regard to replacement. Once existing stocks were got rid of, they would be in a more difficult position than they were at present. He strongly supported the proposal of the Committee appointed in Bengal that Lancashire should be asked to manufacture standard cloth on much the same lines as were proposed for India. There was ample freight available and Lancashire might be willing to take a step which would secure and develop her Indian trade. Mr. Brooke mentioned that spindles and looms from Lancashire formerly employed on Indian work were now on Government work. Mr. Lettwich mentioned cases of hoarding in the Central Provinces. Mr. Rhodes thought that present stocks were only half the normal. Mr. Brooke thought the question too difficult to tackle.

Sir Vithaldas Thackersey thought the proposal inadvisable and it was not supported by any members of the Conference except the Bengal representatives.

Mr. Rhodes proposed the following resolution which was adopted by the Conference.

> "That the Conference considers that stocks are being unreasonably withheld from the market, in many cases by those not accustomed to deal in cotton goods. The Conference therefore recommends that the Government of India should request Provincial Governments to take such steps in consultation with the trade, as may be necessary to remedy this state of affairs."

Mr. Pramji Virji dissented from the resolution. He agreed with Sir Vithaldas Thackersey that dealers should be licensed, but he considered that, as dealers could not replace stocks at the same prices as they had paid for them, they were justified in withholding them and that there was no necessity to interfere with them. Mr. Murphy also dissented.

Minutes of Second Day's Proceedings, September 19th, 1918.

A Sub-Committee of the Conference met to discuss various technical points. It consisted of the following gentlemen: Sir Vithaldas Thackersey, Mr. W. H. Brady, Mr. R. H. Brooke, Mr. Ambalal Sarabhai, Mr. J. F. D. Engel, Mr. F. Stones, the Hon'ble Mr. T. Smith, Mr. O'Malley, Mr. Puranik and Mr. Peroshaw.

XI.—*Price of cotton to be adopted as the basis of the price of standard cloth.*—The first question taken up was the price of cotton which should be adopted as the basis of the price of standard cloth. Sir Vithaldas Thackersey considered that the output of the mills should be fixed for three months, but that the price of cloth should be fixed monthly on the basis of the price of cloth then ruling. He thought the average price for the preceding month might be taken. He pointed out that the mills made the bulk of their purchases of cotton between December and May, and that they must therefore know the price fixed by Government for standard cloth; otherwise their purchases of cotton forward to cover the order for standard cloth could only be speculative. Even if the price of cloth were fixed monthly, the mills might be given an option of a fixed price for three months. Mr. Smith thought it would be better if the price of cotton were fixed for three months. Mr. Ambalal Sarabhai thought that the price of cotton should be fixed on the basis of the price ruling on a particular day. The difficulty in regard to fixing it on the average of the preceding month was that the price might jump suddenly at the end of the month.

It was finally decided unanimously that the Controller with the help of his Advisory Committee should fix a fair and reasonable price for cotton, having regard to all the circumstances and that the price of cloth should be fixed for three months at a time. Mr. Smith enquired whether the profit allowed in the manufacture of standard cloth would be net after allowing for depreciation and the charges. The Chairman said that this was the case.

As regards *sizes* the grey shirtings should be 37 by 38 inches, 10 per cent. or the dhoties should be 31 inches by 7 yards, 15 per cent. should be 35 inches by 8 yards and the remaining 75 per cent. should be 39 inches by 9 yards. The quality should be 12×10. There was no objection to a cloth 20s. warp and 20s. weft. What they were anxious to have was a cloth that would be regarded as a famine cloth. There was no necessity to differentiate between the cloth for shirtings, dhoties and saris.

As regards *borders*, the dhoties should have a border $\frac{1}{8}$th inch in width in fast colours, of which 30 per cent. should be red and 70 per cent. black. The saris should have a $\frac{1}{2}$ inch border, of which 50 per cent. should be red and 50 per cent black. There was no objection to the borders being stamped as lightly as possible.

(*ii*) *Bihar and Orissa.*—Mr. Murphy said that what Bihar and Orissa required was the same as that for Bengal and that the specifications were exactly the same in every way.

(*iii*). *Assam.*—Rai Bahadur Kanak Lal said that for half the province in which the population was Bengali, 1,000,000 yards of cloth would be required monthly and that the cloth should be the same as that supplied to Bengal. Of the 1,000,000 yards, 45 per cent. should consist of dhoties with $\frac{1}{8}$ inch border and 55 per cent. of saris with $\frac{1}{2}$ inch border. For the remaining half of the Province, 1,000,000 yards of long cloth would be required for both men and women. The length required for women would be $2\frac{1}{2}$ yards. There should be two widths 36 inches for adults and 27 inches for children and the proportion of the two widths should be about half and half. He thought that a cloth of which the quality was between that of the two he produced would meet the case.

(*iv*) *United Provinces.*—Mr. O'Malley mentioned that the total monthly consumption of the Provinces was estimated at 10,000,000 yards of all cloth. He was unable to give an estimate of the quantity or quality required but thought that 40 per cent. should be dhoties. He thought that the standard should be 12×11 but that the same standard adopted for Bengal would do and that the requirements might be about the same as those of Bengal, *i.e.*, about 3,920,000 yards.

(*v*) *Madras.*—Mr. Gray was unable to give any figures but suggested that 4,000,000 yards monthly might be adopted as a provisional estimate.

(*vi*) *Central Provinces.*—Mr. Leftwich was also unable to give any figures. The requirements of the Central Provinces would be small at the outset. They were not in a hurry for standard cloth and would accept any standard fixed for other Provinces. They would like a few bales of standard cloth sent them as soon as possible. They would then see how it caught on and would be able to frame their requirements accordingly.

(*vii*) *Bombay.*—Mr. Wiles said he was in the same position as Mr. Leftwich.

(*viii*) *Punjab.*—Mr. Townsend said that he also was in much the same position as Mr. Leftwich. Their principal requirement in the Punjab was Markeen cloth or long cloth of which they would want $\frac{1}{2}$ million yards monthly. They would also like fancy checks standardized if possible, of which they would require 2,400,000 yards monthly and also Nagpore twills of which the requirements would be 750,000 yards monthly. It was considered that, judging from the samples produced by Mr. Townsend, these cloths were of too superior a quality to justify their being standardized. Mr. Townsend said that 900,000 yards of dhoties would also be required but that these should be 3 yards long. He added that he would be able to frame a much more definite estimate when samples and prices of the cloths it was proposed to standardize reached him.

(*ix*) *Baluchistan.*—Mr. Johnston said that he was in the same position as the representatives of the other Provinces except Bengal, Bihar and Orissa and Assam and that he would like a few bales of a standard cloth sent him as soon as possible.

(*x*) *Native States.*—The representatives of Native States were unable to give any estimate of their requirements, pending a decision as to whether the States would participate in the scheme.

Mr. Rhodes expressed the hope that the delivery of standard cloth to Bengal would begin at the end of November or early in December. The Chairman produced for the inspection of the Conference a sample of cloth specially manufactured by the Textile Mills, Bombay, which appeared a suitable cloth for standardization. This cloth was 20s warp and 20s weft 32 reed and 32 picks and its price, if controlled, worked out at about 5½ annas a square yard. It was considered that the cloth would meet all the requirements of some Provinces, *e.g.*, Bengal, Bihar and Orissa and Assam and part of the requirements of all provinces and the representatives of the mill industry present agreed that it was a suitable cloth for standardization and could be manufactured at the price mentioned. It was also agreed that it could be manufactured by all the Bombay Mills and by most of those in Ahmedabad. It would not, however, be manufactured by the Cawnpore mills which could only turn out a heavier cloth the cost of which would be about 10 annas per yard. Mr. Leftwich considered that the Cawnpore cloth would be suitable for Chhattisgarh but that its price would probably rule it out. Mr. Townsend said that it might meet the requirements of the Punjab to some extent. Mr. Desai said that it could be used in Baroda. Sir Vithaldas Thackersey pointed out that it was essential that Government should commandeer all reeds of 32 and 36 inch.

The Chairman asked all the Provincial representatives to send in at once in writing a statement of their requirements as given at the Conference.

The meeting concluded with a vote of thanks to the Chairman proposed by Sir Vithaldas Thackersey who expressed the appreciation of the representatives of the mill industry of the reasonable spirit which had been displayed by the representatives of the Provinces.

C. M. Press, Simla.—No. 301 C.I.—27-9-19—2,1 -B.C.E.

1157

G. R. S. VI—G/32

SUBJECT.....

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Diary No. of letter replied to.....

Section

File No.

Serial No.

GENERAL AND REVENUE SECRETARIAT

( )

, *the* *191*

No. G 8096

Date of issue 6.11.18

Signed by M. Seq. Myr

To

The Director of Cane Industries
in Mysore

Sir,

I am directed to invite
reference to this office letter
no G 7498. G 21st Oct 1918
regarding the control of
cotton cloth & to request
that the report called for therein
may be furnished at a
very early date.

I have &c

[illegible]
for Secretary

XII.—*Excise duty.*—Mr. Smith raised the question whether excise duty would be levied on standard cloth. The Sub-Committee recommended "that the excise duty on standard cloth should be deducted or refunded in the same way as the duty on exported cloth is at present deducted or refunded. This recommendation is made with a view to cheapening the price of the cloth to the consumer."

XIII.—*Control of yarn.*—The question of the *control of yarn* was again discussed with special reference to the position of the mills which had looms but no spindles. It was decided that it would be better if this were reserved for further consideration after some experience had been gained of the effect of the manufacture of standard cloth. It was pointed out that, since the issue of the communiqué in regard to the control of cotton cloth, there had already been a considerable drop in the price of yarn. Mr. Ambalal Sarabhai suggested that the percentage of looms taken up for standard cloth might be lower in the case of mills which had no spindles. It was considered that such mills were exceptional and that they might be treated by the Controller and the Advisory Committee as a special case if necessary.

XIV.—*Mills engaged on Army work.*—The case of *mills engaged on Army work* was next considered. It was decided that, if mills engaged on Government contracts were getting the same terms for Government work as under their ordinary contracts, there was no justification for special treatment. If, however, Government were receiving special terms, the mills should receive special treatment in regard to standard cloth to an extent to be decided by the Controller and the Advisory Committee in each case. The only mills which appeared to require special treatment were those in Madras and Cawnpore.

XV.—*Importation of looms.*—The question of the *importation of looms* from Lancashire was next taken up.

Sir Vithaldas Thackersey said that he had had a definite statement from Lancashire that looms could be supplied provided low grade certificates were granted. Mr. Smith proposed the following Resolution:—"The Cotton Conference recommends that greater liberality be shown by the Munitions Board in sending applications for renewal of machinery and spares home to England so that greater efficiency and better running of the existing machinery should be secured in view of the special circumstances arising from the fact that the greatest output is required from every mill owing to the necessity for the production of more cotton cloth. Pressure should also be brought to bear on the Home authorities in this matter." The Resolution was adopted unanimously.

Sir Vithaldas Thackersey proposed that priority should be granted for new looms to replace existing ones as this would considerably increase the output of cloth. This recommendation was also accepted.

Mr. Brady mentioned that there was no difficulty in regard to the importation of second-hand looms. He himself had imported hundreds.

XVI.—*Forward contracts.*—The question of *forward contracts* was taken up. Sir Vithaldas Thackersey said that 35 to 40 per cent. of the looms were from 36 to 46 inches in width and that these were already over-worked. Mr. Brady said that every loom in Bombay with a width of between 36 and 46 inches was engaged for fully 12 months ahead. Mr. Stones suggested that shirtings and goods, which were not of necessity made to definite widths as in the case of dhoties and saries, should be made as far as possible on looms up to 36 inch reed space or over 50 inch reed space, the looms of intermediate width being reserved for dhoties and saris. This should reduce the interference with forward contracts considerably. It was considered that, if the output of 10 per cent. only of the looms was required, there would be no serious interference with forward contracts; beyond that, the interference would be serious. Sir Vithaldas Thackersey considered that, if the effect of the law was that merchants could not cancel their contracts but that mills could fulfil them in order of priority after providing for the manufacture of standard cloth, then no further protection to the mills was required. If, on the other hand, the purchaser could cancel his contract owing to late delivery due to the manufacture of standard cloth by the mills, the situation would be serious and provision should be made to meet it. Mr. Smith mentioned that protection for the manufacturer would only be required in case of the balance undelivered. The Sub-Committee unanimously concurred in this view. Sir Vithaldas Thackersey proposed that "Government

should give a definite ruling in regard to the position of both manufacturers and dealers in the matter of forward contracts either in the Act itself or in some other way." The proposal was accepted, but the general feeling was that it would be better if the position were definitely stated in the Act itself.

XVII.—*Allocation of orders.*—The question whether the *percentage of looms* taken up should be the percentage of looms actually in existence in the mills or the percentage of running looms was discussed and it was considered that it should be left to the Controller and the Advisory Committee to decide with reference to the circumstances of each case. Mills, however, considered that the mills should show definite cause why looms were not running. Mr. Smith pointed out that difficulties in the way of labour in Cawnpore furnished such a cause in the case of Cawnpore mills.

The full Conference then re-assembled.

The minutes of the previous days' proceedings were read by the Chairman and were approved. The Chairman then read the notes of the proceedings of the Sub-Committee. The only point raised regarding these was with reference to the question of *forward contracts*. Mr. Rhodes suggested that it would meet the case if the Controller were to give the consumer a certificate that he had been fairly treated by the mills, *i.e.*, a certificate to the effect that there had been no delay in fulfilling the contract other than that due to the manufacture of standard cloth.

Mr. Pramji Virji objected strongly to the proposal of the millowners. He proposed that the dealers should be given the option of cancelling all pending contracts for forward delivery. This would of course apply to all goods not yet manufactured by the mills but to bales already delivered. He considered that all contracts for forward delivery should be cancelled.

Mr. Rhodes said that, speaking as an importer of piece goods who was now importing goods from Bombay to a very large extent in place of piece goods from England, he could assure the Conference that if the mills stood to their contracts, the dealers in piece goods in Calcutta would stand to theirs.

The remaining recommendations of the Sub-Committee were accepted without discussion.

XVIII.—*Relaxation of the Factory Act.*—The Chairman then enquired whether any members of the Conference wished to bring forward any other questions for consideration. Sir Vithaldas Thackersey raised the question of the relaxation of the Factory Act. He said that, personally speaking, he was not anxious that the mills should work longer hours, though longer hours might mean increased production. The wages of the mills' employés might be increased suitably as a temporary measure. The general feeling of the Conference was that the differences of opinion amongst the millowner regarding the relaxation of the Factory Act were so considerable that the questions could not be profitably discussed.

XIX.—*Sufficiency of the stock of reeds.*—The question of the sufficiency of the stock of reeds in India suitable for standard cloth was raised. The view taken was that this was insufficient and that the Government of India should cable to England at once for a further supply and should request the India Office to consult Mr. Wadia on the subject. The urgency of obtaining a further supply was emphasized if the scheme for manufacturing standard cloth was to be working by the end of October. Mr. Stones promised to make enquiries in regard to existing stocks of reeds.

XX.—*Provincial requirements of standard cloth.*—The requirements of standard cloth of the different provinces were then examined in detail.

(1) Bengal.—Mr. Rhodes explained that the normal consumption of shirting was 10,000 bales per month and of dhoties and saris 8,000 bales. About 2,000 bales of dhoties and saris and 1,200 bales of shirting were coming in per month in addition to existing stocks. The consumption of cloth had been reduced by more than half. The demands of the Province for standard cloth amounted to 1,000 packages per month consisting of :—

200 packages of shirting averaging 3,000 yards each,

500 packages of dhoties averaging 4,000 yards each,

300 packages of saris averaging 4,000 yards each,

a total of 3,920,000 yards.

16

G. R. S. VI—G/32]

SUBJECT.....

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No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT,
( )
, the 191

Sectio..
File No.
Serial No.

D.O

No. G 9170

Date of issue 21.11.18

Signed by M. V. Iyengar

To The Dy. Civil Surgeon
in Negne

Dear Sir,

I am desired to
invite ~~refer~~ your attention
to this office letter no. G 7498
of the 21st Oct 1918 & subse-
quent reminders re-
garding the control of
Cotton cloth ~~& subsequent~~
~~reminders~~ & to request

over.

8514

DIARY NO.....

No. 4686
ENCL. 2.

Office of the Director of Civil Supplies
and Controller of Prices in Mysore,
Kitchetty Chathram Road,

Bangalore City, 12th November 1918

From

C. Ranganatha Rao Sahib, Esq., B. A., B. L.,
Director of Civil Supplies and Controller of Prices.

To

15827

C. S. Balasundaram Iyer, Esq., B.A.,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore

S i r

With reference to your letter No.7498 dated 21st October 1918 forwarding a copy of the proceedings of the Conference regarding the control of cotton cloth in Bombay on the 28th September, I have the honour to submit the following report - on the points called for.

(1) Scheme for the efficient distribution of the cloth.

It will be observed from the proceedings of the Conference on the control of cotton cloth that the representitives of the Mill Industry were strongly opposed to the distribution of standard cloth through licensed dealers. The objections are based on the presumption that the utilisation of the existing commercial agency, will not secure the primary objects of the Conference namely (1) the provision of cloth to the -- poorest members of the population and (2) the restriction of the quantity provided to their most urgent needs. As an efficient system of distribution is likely to be made a necessary condition before any cloth is obtained, I beg to suggest that the scheme of distribution through licensed dealers, however convenient, may not be considered until other methods -- have been tried. I should suggest that the distributing agency may be as follows in the State. In the head quarters

of districts and taluks the Municipalities may be requested to appoint special Sub Committees for the distribution of -- cotton cloth and Taluk progress Committees may be utilised - for distribution in the interim. The services of Co-operative Societies may also be availed of whenever convenient -- for the distribution of cloth.

(2) <u>The monthly requirement of the cloth for the State.</u>

I enclose a statement showing the actual quantity of Indian Mill made cloth actually consumed in the State duri the last five years as well as the quantity of yarn available for hand looms for the production of hand woven goods. It - will be observed that the total weight of mill made cloth ava ble for consumption in the State declined from 65 lakhs of - ounds in 1913-14 to about 44 lakhs of pounds in 1917-18 whil he quantity of yarn consumed by hand looms increased from ab 6 lakhs of pounds in 1913-14 to 52 lakhs of pounds in the -- ollowing year and has thereafter continued to decline steadily o that it has touched 31 lakhs of pounds in 1917-18. The -- reason for this phenomenon will be obvious from the prices for yarn and cloth prevailing during the last five years in Bombay from which Mysore imports about three fourths of the quantity - of cloth consumed in the State.

<u>PRICES OF YARN AND CLOTH.</u>

August.	Yarn No.10 per lb.	Yarn No.20 per lb.	ong cloth per lb.
1914	Annas 0--6--9	0--7-11	0-10-10
1915	0--5--1	0--6--2	0-10--4
1916	0--5-10	0--8--2	0-13--7
1917	0-10--3	0-15--0	1--4--0
1918	1--4--0	1-11--0	2--8--0

It will be observed therefore that the demand for cotton cloth depends on the price and that on the basis of the prices prevailing in 1915 and 1916 the demand may be roughly -

(19)

regarded as equivalent to 60 lakhs of pounds. A large -- portion of this demand estimated to be about 45 per cent of the total or 27 lakhs of pounds in weight consists of Dhoties, about 30 per cent or 18 lakhs of bales consisting of Soosies and checks. The quantity of mill made saries is not likely to exceed more than 1000 bales that is to say 2 lakhs of saries -- weighing about 4 lakhs of pounds as the cloths of the female -- population are still largely woven on hand looms.

(3) Financing the purchase of cloth.

The letter from the Secretary to the Government of India enclosed with your letter suggests that the cloth required should be paid for immediately on delivery by the mills. It will therefore be necessary that the amount required for -- the purchase of cloth should be paid in advance by Government -- and recouped from realisations by sale through the agencies -- suggested. It has already been observed that the normal demands of the State in regard to Indian mill made cloth is about 5 lakhs of pounds per month of about the value of 7½ lakhs of rupees at the average all round rate of 1-8-0 per pound. It will not be possible to state except after some experience -- gained in the distribution of Standard cloth what proportion of the normal demand can be regarded as coming from the poorest -- members of the population who are in urgent need of relief. Until such experience is obtained the measures proposed to be taken - by Government may be restricted to deal with about one fifth of the normal monthly demand, namely about 100,000 lbs of the value of about Rs.1,50,000. There is hardly any doubt that the consumption of mill made cloth of the description used by the poorer people in the State is more than the quantity assumed here. It is however advisable to restrict the measures necessary to - that which is well within the probable requirements of the case until some experience is gained.

It is not possible to state the period that is - likely to elapse between the purchase of cloth by the State and

(20)

and the recovery of its value from the consumer on whose behalf the purchase is effected. It is hardly likely to be less than three months. I am therefore of opinion that a sum of six lakhs of rupees should be set apart for the transactions included in the purchase and distribution of standard cloth.

In the letter from the Secretary to Government of India mention is made of samples of standard cloth. It will be convenient if samples of such cloth is obtained with some information regarding the probable prices at which they will be sold. I have collected some sample cloth that are mostly sold in the State and will, if approved forward them to the Controller of cotton cloth for his opinion whether such cloths can be manufactured and sent to the State.

I have to state however no immediate steps seem to be required towards the purchase of standard cloth as all arrangements have been suspended by the Government of India in view of the rapid decline in the price of cloth, consequent on the steps taken by Government to control the price of cloth, the fall in the price of raw cotton, the prospects of peace, and the diminished purchasing power of the people owing to influenza and the unfavourable agricultural conditions. I enclose a copy of a Press Communique recently issued by the Controller of Cotton cloth on the subject.

I have the honour to be,

S i r ,

Your most obedient servant,

C Ramgamatha Rao

Director of Civil Supplies.

N.P.S.

(21)

COTTON CLOTH CONTROL.

The Controller of Cotton cloth yesterday issued a Press Communique, which says: "Since the Preliminary Conference regarding the control of Cotton held at Bombay on September 18th and 19th last, at which it was recommended that the manufacture of standard cloth should commence immediately, there has been a market fall in the price of cloth throughout the country. This has been due to a variety of causes, such as the prospects of peace, the fall in the price of raw cotton and the diminished purchasing power of the people owing to influenza epidemic and the unfavourable agricultural conditions in various parts of the country. The details of the scheme for the manufacture of Standard cloth have now been fully worked out and it can, when necessary, be brought into immediate operation. The Controller and the Advisory Committee will continue to keep a close watch on the situation, especially on the extent to which the fall in prices is reaching mofussil consumers in order that the manufacture of standard cloth may commence immediately the situation appears to render such a course desirable."

Ramaswamy Mudaliar

N.P.S. Director of Civil Supplies.

(27)

INDIAN PIECE GOODS.

	Production. lbs.	Imports. lbs.	Total. lbs.	Exports. lbs.	Not available for consumption. lbs.	Quantity of yarn available for hand looms.
1913-14.	11,65,474	60,97,372	72,62,846	7,40,571	65,22,275	45,83,882.
1914-15.	10,50,978	60,87,168	71,38,146	7,27,076	64,11,070	52,60,002
1915-16.	10,65,591	57,09,394	67,74,985	7,71,598	60,23,387	38,44,292
1916-17.	12,10,641	50,02,972	62,13,613	2,04,379	50,09,234	39,51,154
1917-18.	16,31,304	46,62,720	62,94,024	8,99,530	43,95,494	31,42,387

P.R Ranganadhan
Sahi
25/11/18

(23)

5.15 pm
6/12/18 pm

7. No. 705 / 6.12.18

R. O. 178. (a)—R. P. B.—11-1918

DIARY NO. 9084

P. 11-12-18

MYSORE RESIDENT'S OFFICE,
Bangalore, 5th December 1918.

Chief Sec
5-12-18

No. 8331 /Ene. one

A copy of the marginally* noted ~~letter, with enclosure~~ telegram, is forwarded to the Chief Secretary to the Government of His Highness the Maharaja of Mysore for information in continuation of endorsement from this Residency no. 7107 dated the 11th October 1918.

*No. 12-031 dated 30-10-1918 from the Government of India department of Commerce and Industry re the Control of cotton cloth.

H S Gallwey

First Assistant Resident.

Me

(24)

Telegram No. 12031, dated the 30th October 1918, from the Secretary to the Government of India, Department of Commerce and Industry, Simla, to certain local Governments and Administrations.

---:0:---

Cotton Cloth control. Government of India had intended to introduce manufacture of standard cloth with effect from the first of November, but owing to heavy fall which may be only temporary in price of dealers' stocks of piece goods in Bombay, action has been temporarily postponed.

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"C O P Y"

REGISTRAR.

G.R S. 29.]

(25)

GENERAL AND REVENUE SECRETARIAT.

( )

DRAFT ENDORSEMENT ON | File No. 12.97
Serial No.

No. G11470/PR 9-8 calcr

Dated ——, the 13.12.1908

Issued on the ——

Copy forwarded with Compliments to the Director Civil Supplies in reply to his information note Ref. his letter no 4686 dated 12.11.08

Signed 13.12.1908

By Order, etc.

U/S 12/12/08
for Chief Secretary

List of papers forwarded.

A copy of telegram no 12031 dated 30.10.18. from the Govt to the Govt of India Dept of Industries and Commerce Simla & certain local Govts & Administrations re supply of cotton cloth

MGCPB—8,000—16-2-05